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November 5, 2003

APPLICATION

Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

RE: Bourg Sand, Reservoir A
Lirette Field
Terrebonne Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DENBURY RESOURCES, INC.** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the **Bourg Sand, Reservoir A** in the Lirette, Terrebonne Parish, Louisiana, to-wit:

1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from the Bourg Sand, Reservoir A in the Lirette Field, Terrebonne Parish, Louisiana, to be designated as BOURG RA SUA;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
3. To designate a unit operator for the proposed unit;

OF COUNSEL
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LL.M. IN TAXATION
††REGISTERED PATENT ATTORNEY

*ALSO ADMITTED IN TEXAS
**ALSO ADMITTED IN MISSISSIPPI
***ALSO ADMITTED IN OKLAHOMA

4. To designate the Denbury Resources, Inc. - Exxon Fee No. A-1 Well as the unit well for the proposed unit;
5. To provide that the Commissioner of Conservation should be authorized to reclassify the Bourg Sand, Reservoir A, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and,
6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Bourg Sand, Reservoir A, in the Lirette Field, Terrebonne Parish, Louisiana, is hereby defined as that gas and condensate bearing sand encountered between the depths of 10,011 feet and 10,096 feet, electric log measurements (-9,439 feet and -9552 feet, ss), in the Denbury Resources, Inc. - Exxon Fee No. A-1 Well, located in Section 24, Township 19 South, Range 19 East, Terrebonne Parish, Louisiana.

By agreement between Denbury Resources, Inc. ("Denbury") and Basin Gulf Resources, L.L.C. ("Basin"), Denbury is taking over as Applicant for the proceeding commenced by Basin by the filing of its September 29, 2003 Pre-application Notice. This agreement is simply a procedural matter and does not include a commitment by Basin to support the Denbury unit proposal; Basin reserves all rights in this regard.

Pursuant to that Basin Pre-Application Notice, a pre-application conference was held on Wednesday, October 22, 2003, at the Lafayette office of Gordon, Arata, McCollam, Duplantis & Egan. A list of the parties in attendance at the conference is attached hereto and made a part of this Application by reference. Bob Duplantis, attorney for Basin, opened the conference with a brief explanation of the Rules of Procedure, and Bill McAlister, geological consultant for Basin, explained the unit proposal and answered questions. Randall Songy and Holmes Smart presented a counterplan on behalf of Denbury. Jim Bates and Charles Smith presented a counterplan on behalf of ExxonMobil. The parties were unable to resolve their differences at the conference and it was then adjourned.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting Frank W. Harrison, Jr., 200 Audubon Blvd., Lafayette, LA 70503 (Phone: 337-232-4031).

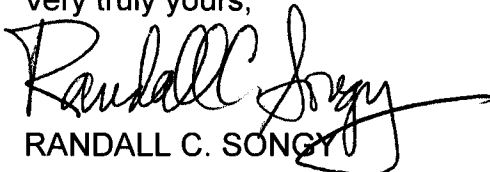
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There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,


RANDALL C. SONGY

RCS/bad

Enclosures

cc: Mr. Richard Hudson, District Manager
Office of Conservation



All Interested Owners, Interested Parties and
Represented Parties

UNION PROD.
Delta Securities
 9
14198'


19

18

BOURG RA SUA
EXXON FEE NO. A-1
± 140 ACRES

UNION PROD.
Delta Securities
 5 F/6900' (A)
11414' F/10960' (C)
T
19
SCONSOLIDATED GAS
Waterford
 1
F/8765' (A)
F/11655' (C) 15484'
DENBURY
Exxon Fee

A-1 F/8780' (A)

 11150' MD
10604' VD

F/9280' (A) A-2 (OH)



 11765' MD
11040' VD

Delta Securities

F/9650' (A)

 11312' MD
11013' VD

FAULT

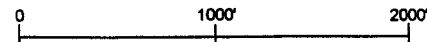
UNION PROD.
Delta Securities
 8 F/10010' (A)
12502'
UNION PROD.
Exxon Fee
 12 F/10900' (A)
14156'

24


25

UNION PROD.
Exxon Fee
 2
10568'
EXHIBIT NO.
DOCKET NO.

DATE:

DENBURY RESOURCES, INC.
DALLAS, TEXASLIRETTE FIELD
TERREBONNE PARISH, LOUISIANAPROPOSED UNIT
BOURG SAND
 0 1000' 2000'

GRAPHICS BY: GEOLAND GRAPHICS, LLC LAFAYETTE, LA (337) 233-1887

FRANK W. HARRISON, JR.
CONSULTING GEOLOGIST - LAFAYETTE, LOUISIANAEXXON
Exxon Fee
 16 F/11775' (A)
17987'
UNION PROD.
Delta Securities
 1
11775'

 10
10605'

 13

 1
PENNZOIL
Exxon Fee
 2
12329'

 15
UNION PROD.
Exxon Fee
 11
10622'